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Public Business and the Private Operator: A Blurred Relationship

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In future accounts of the Iran-contra affair and the Reagan era, save at least a footnote for Richard Vernon Secord. To hear him tell it, he was assigned to play one of the most important private-public roles in the history of the presidency.

"I was to be the commercial cutout, if you will," the self-described specialist on what he calls "covert ops" told intent members of the Iran-contra investigating committees yesterday on Capitol Hill.

That role, as he explained it on the second day of hearings, was designed to conceal clandestine shipments of U.S. arms to Iran and enable the governments of both the United States and Israel to deny official involvement if it became known.

The covert operator's world Secord described was dominated by a pervasive desire for secrecy at all costs, accompanied by a strong distrust of the press. Secord said the press "would directly interfere in operations" if it knew about them, and would "savagely" them."

By implication, though not by specific statement, this kind of distrust also applied to the Congress. When directly asked whether that same desire for secrecy made him and others with whom he worked want to conceal the operations from Congress, Secord said that had never occurred to him.

The world he described was one of distrust and suspicion, of aliases, wigs, false disguises, "surreptitiously taped" meetings between arms dealers and officials of the United States, Iran and Israel, of "busted polygraph" tests and "despicable characters," and "sterilized" airplanes with all markings eliminated, the better to ensure secrecy and deniability.

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Some of it sounded farcical: how Lt. Col. Oliver L. North adopted the code name "Mr. Good," while Secord went by the alias of "Gen. Adams." Some sounded cynical: his account of how the Iranian arms dealer, Manucher Ghorbanifar, would say, "So many Phoenixes [missiles] for so many 'boxes.'" Boxes was his code word for hostages.

And always in the background was a great deal of money flowing from the arms dealers into Swiss bank accounts, back into CIA and Pentagon accounts, and being expended for other "projects" having no relation to Iran or Nicaragua—and of money unaccounted for.

Secord's testimony was compelling for another reason: He flatly said his operations were intended to produce assistance for the contras from the beginning, and spoke about the overriding need for "the contra requirement."

"Col. North's position was consistent throughout," he said at one point. "He wanted me to use all available surplus to supply the contras."

He testified he did so, but "I was never able to send enough to satisfy Ollie North."

The subject of North led to another piece of dramatic testimony yesterday. Secord testified

that North, with whom he worked closely, said he told the president several times how ironic it was that "the ayatollah's money" was being used to aid the contras. And Secord held the joint committee members and spectators spellbound by describing how he was present when North received two supportive phone calls, one from President Reagan, the other from Vice President Bush, only hours after North had been fired from the NSC last November.

Secord's account of his "commercial cutout" assignment provided the most complete description of the initiation of the arms deals that has imperiled the Reagan presidency.

Secord said he undertook that "commercial cutout" assignment at a top-level White House situation room meeting in January 1986 attended by key presidential aides and CIA officials, including lawyers. Out of that meeting, he said, an intricate secret plan was devised: the CIA would buy weapons from Defense Department stocks. It would then sell the weapons to Secord's private firm. In turn, Secord would sell them to an Iranian middleman arms dealer. He, finally, would sell them to the ultimate buyer—Iran.

The first long silence of the hearings came when House Counsel John W. Nields Jr. asked Secord:

"So we understand the role of the commercial cutout; it was designed to conceal from whom?" Iran, Secord answered.

That was so, he explained, because Israel would be secretly providing secure bases to transfer the U.S. arms to Iran. There could be no hint of official Israeli dealings with Iran—a country that regards Israel as a mortal enemy. Nonetheless, he later testified, if the arms shipments became public, the Israelis "will take the hit" for the United States: that is, Israel would provide "cover" for the United States.

Under the most insistent examination to date, Secord maintained that he was acting only as a private individual despite the official U.S. sponsorship of the plan—and despite the fact that U.S. weapons, paid for by U.S. taxpayers and maintained in U.S. arsenals were being sold clandestinely to a foreign nation.

Nields pressed Secord for his definition of what was public and what was private.

That private-public relationship was not resolved during day two of the hearings yesterday.